

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:

RIC (LAVERNIA) LLC.,
Debtor.

Case No.: 24-51195-mmp

RIC (LAVERNIA) LLC,
Plaintiff,
v.
MILESTONE CAPITAL CRE 1, LLC et al.,
Defendants.

Adversary Proceeding No.: 24-5043-mmp

**ANSWER OF DEFENDANTS
MILESTONE CAPITAL CRE 1, LLC
AND ANDRES CEDILLOS, SUBSTITUTE TRUSTEE**

Defendants, Milestone Capital CRE 1, LLC (“Milestone”) and Andres Cedillos, Substitute Trustee (“Cedillos”)¹ (collectively, “Defendants”), hereby file their Answer and Affirmative Defenses to Plaintiff’s Second Amended Petition [sic], and respectfully state as follows:

1. Defendants admits the allegations contained in paragraph 1 of the Complaint. Defendants deny that Plaintiff is entitled to the relief requested.

2. Defendants admits the allegations contained in paragraph 2 of the Complaint. Defendants deny that Plaintiff is entitled to the relief requested.

¹ Defendant Andres Cedillos is purportedly joined to this action solely in his capacity as an alleged substitute trustee under the Deed of Trust issued in favor of Defendant Milestone. Only Count Six in Plaintiff’s Second Amended Petition [sic] asserts relief pertaining to Defendant Cedillos. Defendant Cedillos does not have sufficient facts to admit or deny many of the allegations contained in Plaintiff’s Second Amended Petition [sic].

3. Defendants consent to the Court's entry of final orders and a judgment based upon the claims currently pled by Plaintiff.

4. Defendants admit that the Bankruptcy Court has jurisdiction pursuant to 28 U.S.C. § 1334 over matters that arise in, arise under, and/or are related to the bankruptcy case. Defendants deny that the Bankruptcy Court has or may exercise diversity jurisdiction. This matter has been referred to the Bankruptcy Court under the standing order of reference in the Western District on the basis of Title 28, section 1334, and not otherwise. Defendants are not aware of Plaintiff's citizenship, but it claims, in paragraph 6 of the Complaint to be a Texas limited liability company. Thus, it is unclear how complete diversity could exist as alleged.

5. Defendants admit that venue in this District is proper.

6. Defendants admit the allegations in paragraph 6 of the Complaint based upon records at the Texas Secretary of State.

7. Defendants admit the allegations in paragraph 7 of the Complaint.

8. Defendants admit the allegations in paragraph 8 of the Complaint.

9. Defendants admit the allegations in paragraph 9 of the Complaint.

10. Defendants are not required to admit or deny the allegations in paragraph 10 of the Complaint. To the extent a response is required, Defendants have insufficient knowledge to admit or deny the allegations in paragraph 10 of the Complaint, which must be proven by Plaintiff.

11. Defendants admit the allegations in paragraph 11 of the Complaint.

12. Defendants are not required to admit or deny the allegations in paragraph 12 of the Complaint. To the extent a response is required, Defendants have insufficient knowledge to

admit or deny the allegations in paragraph 12 of the Complaint, which must be proven by Plaintiff.

13. Defendants have insufficient knowledge to admit or deny the allegations in paragraph 13 of the Complaint, which must be proven by Plaintiff.

14. Except for the word “purportedly,” Defendant Milestone admits the allegations in paragraph 14 of the Complaint. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 14 of the Complaint.

15. Except for the word “purportedly,” Defendant Milestone admits the allegations in paragraph 15 of the Complaint. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 15 of the Complaint.

16. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 16 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 16 of the Complaint.

17. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 17 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 17 of the Complaint.

18. Defendants admit the allegations in paragraph 18 of the Complaint.

19. Defendants admit the allegations in paragraph 19 of the Complaint.

20. Defendants are without sufficient knowledge to admit or deny the allegations contained in paragraph 20 which must be proven by the Plaintiff.

21. Defendant Milestone denies the allegations in paragraph 21 of the Complaint. Defendants Cedillos is without sufficient knowledge to admit or deny the allegations contained in paragraph 21 which must be proven by the Plaintiff.

22. Defendant Milestone admits the allegations in paragraph 22 of the Complaint. Defendants Cedillos is without sufficient knowledge to admit or deny the allegations contained in paragraph 22 which must be proven by the Plaintiff.

23. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 23 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 23 of the Complaint.

24. Defendants admit the allegations in paragraph 24 of the Complaint.

25. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 25 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 25 of the Complaint.

26. Defendants admit the allegations in paragraph 26 of the Complaint.

27. Defendants are unable to admit or deny the allegations contained in paragraph 27 of the Complaint which must be proven by Plaintiff.

28. Defendants are unable to admit or deny the allegations contained in paragraph 28 of the Complaint as pled which must be proven by Plaintiff.

29. Defendants are unable to admit or deny the allegations contained in paragraph 29 of the Complaint which must be proven by Plaintiff.

30. Defendants admit the allegations in paragraph 30 of the Complaint.

31. Defendants are unable to admit or deny the allegations contained in paragraph 31 of the Complaint which must be proven by Plaintiff.

32. Defendants admit the allegations in paragraph 32 of the Complaint.

33. Defendants are not required to admit or deny the legal argument contained in paragraph 33 of the Complaint.

34. Defendants admit the allegations in paragraph 34 of the Complaint.

35. Defendants admit the allegations in paragraph 35 of the Complaint.

36. Defendants deny that the reference to I as opposed to 1 is material or relevant, and therefore deny the allegations contained in paragraph 36 of the Complaint as pled. The beneficiary under the Deed of Trust is Defendant Milestone.

37. Defendants admit the allegations in paragraph 37 of the Complaint.

38. Defendants deny the allegations in paragraph 38 of the Complaint.

39. Defendants are not required to admit or deny the legal argument contained in paragraph 39 of the Complaint.

40. Defendants admit the allegations in paragraph 40 of the Complaint.

41. Defendants admit the allegations in paragraph 41 of the Complaint.

42. Defendants admit the allegations in paragraph 42 of the Complaint.

43. Defendants admit the allegations in paragraph 43 of the Complaint.

44. Defendants deny that the reference to I as opposed to 1 is material or relevant, and therefore deny the allegations contained in paragraph 44 of the Complaint as pled. The beneficiary under the Deed of Trust is Defendant Milestone.

45. With respect to paragraph 45 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs. No relief in Count One is sought against Defendant Cedillos.

46. Defendants are not required to admit or deny the legal argument contained in paragraph 46 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

47. Defendants are not required to admit or deny the legal argument contained in paragraph 47 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

48. Defendants are not required to admit or deny the legal argument contained in paragraph 48 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

49. Defendants are not required to admit or deny the legal argument contained in paragraph 49 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

50. Defendants are not required to admit or deny the legal argument contained in paragraph 50 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

51. Defendants are not required to admit or deny the legal argument contained in paragraph 51 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

52. Defendants are not required to admit or deny the legal argument contained in paragraph 52 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

53. Defendants are not required to admit or deny the legal argument contained in paragraph 53 of the Complaint. No relief in Count One is sought against Defendant Cedillos.

54. With respect to paragraph 54 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs.

55. Defendants are not required to admit or deny the legal argument contained in paragraph 55 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

56. Defendants are not required to admit or deny the legal argument contained in paragraph 56 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

57. Defendants are not required to admit or deny the legal argument contained in paragraph 57 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

58. Defendants are not required to admit or deny the legal argument contained in paragraph 58 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

59. Defendants are not required to admit or deny the legal argument contained in paragraph 59 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

60. Defendants are not required to admit or deny the legal argument contained in paragraph 60 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

61. Defendants are not required to admit or deny the legal argument contained in paragraph 62 of the Complaint. No relief in Count Two is sought against Defendant Cedillos.

62. With respect to paragraph 62 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs. No relief in Count Three is sought against Defendant Cedillos.

63. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 63 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 63 of the Complaint. The beneficiary under the Deed of Trust is Defendant Milestone. No relief in Count Three is sought against Defendant Cedillos.

64. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 64 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 64 of

the Complaint. The beneficiary under the Deed of Trust is Defendant Milestone. No relief in Count Three is sought against Defendant Cedillos.

65. Defendant Milestone denies the allegations in paragraph 65 of the Complaint. No relief in Count Three is sought against Defendant Cedillos.

66. Defendant Milestone denies the allegations in paragraph 66 of the Complaint. No relief in Count Three is sought against Defendant Cedillos.

67. Defendant Milestone denies the allegations in paragraph 67 of the Complaint. No relief in Count Three is sought against Defendant Cedillos.

68. Defendants deny the allegations in paragraph 68 of the Complaint.

69. Defendants are not required to admit or deny the legal argument contained in paragraph 69 of the Complaint. No relief in Count Three is sought against Defendant Cedillos.

70. Defendant Milestone denies that Plaintiff is entitled to any relief and any attorneys' fees in this action. No relief in Count Three is sought against Defendant Cedillos.

71. Defendant Milestone denies that Plaintiff is entitled to any relief in this action. No relief in Count Three is sought against Defendant Cedillos.

72. Defendant Milestone denies that Plaintiff is entitled to any relief and any attorneys' fees in this action. No relief in Count Three is sought against Defendant Cedillos.

73. With respect to paragraph 73 of the Complaint, Defendants incorporate by reference their responses to all of the preceding paragraphs. No relief in Count Four is sought against Defendant Cedillos.

74. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 74 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 74 of

the Complaint. The beneficiary under the Deed of Trust is Defendant Milestone. No relief in Count Four is sought against Defendant Cedillos.

75. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 75 of the Complaint as pled. Defendant Cedillos has insufficient knowledge to admit or deny the allegations in paragraph 75 of the Complaint. The beneficiary under the Deed of Trust is Defendant Milestone. No relief in Count Four is sought against Defendant Cedillos.

76. Defendant Milestone denies the allegations in paragraph 76 of the Complaint. No relief in Count Four is sought against Defendant Cedillos.

77. Defendant Milestone denies the allegations in paragraph 77 of the Complaint. No relief in Count Four is sought against Defendant Cedillos.

78. Defendant Milestone denies the allegations in paragraph 78 of the Complaint. No relief in Count Four is sought against Defendant Cedillos.

79. Defendant Milestone denies the allegations in paragraph 79 of the Complaint. No relief in Count Four is sought against Defendant Cedillos.

80. Defendant Milestone denies that Plaintiff is entitled to any relief in this action. No relief in Count Four is sought against Defendant Cedillos.

81. Defendant Milestone denies that Plaintiff is entitled to any relief in this action. No relief in Count Four is sought against Defendant Cedillos.

82. With respect to paragraph 82 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs. No relief in Count Five is sought against Defendant Cedillos.

83. Defendant Milestone denies that Plaintiff is entitled to any relief in this action. No relief in Count Five is sought against Defendant Cedillos.

84. Defendants are not required to admit or deny the legal argument contained in paragraph 84 of the Complaint. No relief in Count Five is sought against Defendant Cedillos.

85. Defendant Milestone denies the allegations contained in paragraph 85 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

86. Defendant Milestone denies the allegations contained in paragraph 86 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

87. Defendants Milestone denies the allegations and argument contained in paragraph 87 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

88. Defendant Milestone denies that the reference to I as opposed to 1 is material or relevant, and therefore denies the allegations contained in paragraph 88 of the Complaint as pled. The beneficiary under the Deed of Trust is Defendant Milestone. No relief in Count Five is sought against Defendant Cedillos.

89. Defendant Milestone denies the allegations and argument contained in paragraph 89 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

90. Defendant Milestone denies the allegations and argument contained in paragraph 90 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

91. Defendant Milestone denies the allegations and argument contained in paragraph 91 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

92. Defendant Milestone denies the allegations and argument contained in paragraph 92 of the Complaint and denies that Plaintiff is entitled to the relief requested. Defendant Milestone will not try any unasserted claims or facts upon consent. Any basis for any relief must be contained in a complaint. No relief in Count Five is sought against Defendant Cedillos.

93. Defendant Milestone denies the allegations and argument contained in paragraph 93 of the Complaint and denies that Plaintiff is entitled to the relief requested. No relief in Count Five is sought against Defendant Cedillos.

94. With respect to paragraph 94 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs.

95. Defendants admit the allegations contained in paragraph 95 of the Complaint.

96. With respect to the allegations contained in paragraph 96 of the Complaint, the Defendants aver that the relevant documents speak for themselves.

97. Defendants are not required to respond to the argument contained in paragraph 97 of the Complaint. To the extent a response is required, Defendants deny the factual allegations and conclusions contained in paragraph 97 of the Complaint.

98. Defendants are not required to respond to the argument contained in paragraph 98 of the Complaint. To the extent a response is required, Defendants deny the factual allegations and conclusions contained in paragraph 98 of the Complaint.

99. Defendants are not required to respond to the argument contained in paragraph 99 of the Complaint. To the extent a response is required, Defendants deny the factual allegations and conclusions contained in paragraph 99 of the Complaint.

100. With respect to paragraph 100 of the Complaint, Defendants incorporate by reference their responses to all of the proceeding paragraphs. No relief is sought against Cedillos in Count Seven of the Complaint.

101. Defendant Milestone admits the allegations contained in paragraph 101 of the Complaint. No relief is sought against Cedillos in Count Seven of the Complaint.

102. Defendant Milestone admits the allegations contained in paragraph 102 of the Complaint. No relief is sought against Cedillos in Count Seven of the Complaint.

103. Defendants are not required to respond to the argument contained in paragraph 103 of the Complaint. No relief is sought against Cedillos in Count Seven of the Complaint.

104. Defendant Milestone denies the allegations contained in paragraph 104 of the Complaint. No relief is sought against Cedillos in Count Seven of the Complaint.

105. Defendants are not required to respond to the argument contained in paragraph 105 of the Complaint.

106. Defendant Milestone denies that Plaintiff is entitled to the relief requested in the “Prayer for Relief.” Defendant Cedillos denies that Plaintiff is entitled to the relief requested in subsections F and H as they pertain to him.

ATTORNEYS FEES

107. Defendants have been required to retain counsel to defend the claims asserted by Plaintiff. To the extent the Court determines any claim or controversy in favor of Defendants,

Defendants should be awarded their reasonable fees, expenses, and compensable costs of court incurred in this action.

Respectfully submitted,

Kell C. Mercer, PC
1602 E. Cesar Chavez Street
Austin, Texas 78702
(512) 627-3512 (phone)
(512) 597-0767 (fax)
kell.mercer@mercerc-law-pc.com

By: /s/ Kell C. Mercer (Pro Hac Petition Pending
Kell C. Mercer
Texas Bar No. 24007668

**AS COUNSEL TO DEFENDANTS
MILESTONE CAPITAL CRE 1, LLC and
ANDRES CEDILLOS**

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing document was forwarded by electronic mail on this the 21st day of January 2025, to:

RIC (LAVERNIA), LLC
c/o Kyle S. Hirsch
c/o Justin Hanna
Bryan Cave Leighton Paisner LLP
2200 Ross Ave., Suite 4200W
Dallas, Texas 75201
kyle.hirsch@bclplaw.com
justin.hanna@bclplaw.com

George H. Spencer, Jr.
Natalie F. Wilson
Langley & Banack, Inc.
745 East Mulberry
San Antonio, TX 78212-3166
gspencer@langleybanack.com
nwilson@langleybanack.com

/s/ Kell C. Mercer
Kell C. Mercer